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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06/15/07

- 1) Top headlines
  - 2) Editorials
  - 3) Prime Minister's daily schedule
  - 4) Yoshiko Sakurai and others take out advertisement in Washington Post rebutting Congress on "facts" about comfort-women issue
  - 5) Prime Minister Abe in meeting with Cambodian premier confirms continued economic cooperation
- Diet agenda:
- 6) Two scenarios mulled for Diet extension: 5 days and 12 days
  - 7) Opposition parties react sharply to possibility of Diet extension, may file no-confidence motion against Abe Cabinet
  - 8) Civil service reform bill: Upper House to hear witness testimony on June 18
- Political scene:
- 9) Farm minister Akagi filed suspicious office expense reports early in the decade
  - 10) Former Finance Minister Tanigaki, an Abe rival, criticizes the prime minister's stance on recent issues
  - 11) New Komeito issues political manifesto for the upcoming Upper House election, promises constitutional additions in three years
  - 12) Investigators search home of former head of Japan Federations of Bar Associations in connection with suspicious attempt to purchase North Korean-affiliated property

Articles:

## 1) TOP HEADLINES

### Asahi:

5% of data mismatch found between pension records of government-affiliated agency and companies

### Mainichi:

Senior official of entity affiliated with infrastructure ministry admits involvement in bid rigging of floodgate projects

### Yomiuri:

Process of transferring DPRK funds completed

### Nihon Keizai:

Toyota Motor to commission production of diesel engines to Isuzu Motors

### Sankei:

Chongryon sale deal brokered by former real estate firm president

### Tokyo Shimbun:

Social Insurance Agency placed orders totaling 1.4 trillion yen to computer system firms hiring 15 ex-SIA officials

### Akahata:

194 groups, 570 individuals, attend protest rally against SDF's surveillance activities

## 2) EDITORIALS

### Asahi:

(1) Chongryon HQ sale and investigation appalling

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(2) Punishment of NOVA natural

### Mainichi:

(1) Diet must discuss vote disparity ruling

(2) NOVA case points to need for tougher Commercial Code

### Yomiuri:

(1) Pension examination committee must find root cause

(2) Wives of Yodo hijackers played role in North Korea's state crime

### Nihon Keizai:

(1) Pension examination committee must produce speedy conclusion

(2) NOVA's vicious practices

### Sankei:

(1) Prosecutors must uncover dark side of Chongryon deal

(2) NOVA deserves severe punishment

### Tokyo Shimbun:

(1) Chongryon HQ sale a sorry story

(2) Strong guidance needed on fake products in China

### Akahata:

(1) Get rid of pneumoconiosis for tunnel workers

## 3) Prime Minister's schedule, June 14

NIKKEI (NIHON KEIZAI) (Page 2) (Full)

June 15, 2007

08:22

Attended a meeting of the Science and Technology Conference at the Kantei. Met with Foreign Minister Aso, Environment Minister Wakabayashi, METI Minister Amari, and Chief Cabinet Secretary Shiozaki.

09:33

Attended a welcome ceremony for Cambodian Prime Minister Hun Sen at the Kantei.

10:18

Met Deputy Chief Cabinet Secretary Suzuki at the Kantei.

13:00

Attended a meeting of the Upper House Welfare and Labor Committee.

16:52

Met Cabinet Intelligence Director Mikami at the Kantei.

18:04

Met Prime Minister Hun Sen. Attended a ceremony to sign a joint statement. Later, hosted a dinner party for him.

20:47

Returned to his official residence.

4) Opinion ad by Japanese journalists, et al, on "comfort women" issue appears in US daily

SANKEI (Page 3) (Full)  
June 15, 2007

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Hideya Yamamoto, Washington

An opinion advertisement by eminent Japanese rebutting the US House of Representatives resolution now being deliberated that denounces Japan on the so-called "comfort women" issue, appeared in the June 14 issue of the Washington Post. The advertisement produced evidence about the way comfort women were treated and on whether the former Imperial Japanese Army had been involved. South Korean-affiliated organizations in the United States have come out with their opinion advertisements in the Post and other dailies in support of the adoption of the House resolution, but this was the first time for Japan to issue its own rebuttal in a major US daily.

The one page ad, titled "The Facts," was prepared by journalist Yoshiko Sakurai, political commentator Taro Yayama and others, and it presented factual evidence about the comfort-women issue. Rebutting a South Korean-affiliated organization's opinion advertisement titled "Truth about comfort women," carried by the Post on April 26, This the ad charged: "The statements were not 'facts' but appeared to be the product of 'faith'." By presenting the true facts, the ad sought the understanding of the American public.

Specifically, Japan's ad cited the following five points as "facts": (1) no existence of "coercion in the narrow sense" regarding the recruitment of comfort women; (2) punishment of brokers who wrongly recruited women; (3) punishment of those who forced Dutch women to work as comfort women in Indonesia; (4) doubts about the testimonies made by former comfort women and others; and (5) treatment of comfort women.

The advertisement, while sympathizing with those women for having to work as comfort women, concluded: "We seek to share the correct historical perceptions strictly based on objectively-recognized facts."

Joining the list of supporters for the ad are 29 lawmakers of the ruling Liberal Democratic Party (LDP), 13 lawmakers of the major opposition Democratic Party of Japan (Minshuto), and two independent lawmakers.

5) Economic cooperation with Cambodia confirmed

ASAHI (Page 4) (Full)  
June 15, 2007

Prime Minister Abe yesterday met with Cambodian Prime Minister Hun Sen at the Prime Minister's Official Residence (Kantei) and the two signed a joint statement whose highlights include promotion of economic cooperation and a resolution of the abduction issue. Abe also suggested studying direct flights between Japan and Cambodia as part of his Asia Gateway concept. On a special court to try former

senior member of the Khmer Rouge, Abe said, "I welcome the official establishment of the court." In response, Hun Sen expressed gratitude for Japan's assistance.

Prior to their meeting, Hun Sen held a press conference at the Japan National Press Club, in which he said, "Unless the trials are carried out and the persons concerned are punished, there will be no bright future for Cambodia." He thus indicated his intention to aim to have the trials start as quickly as possible.

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#### 6) Two options being mulled for Diet extension

TOKYO SHIMBUN (Page 2) (Abridged)  
June 15, 2007

The ruling camp has begun considering a Diet extension in order to get the bill amending the National Civil Service Law approved during the current session. Two options - one extending the session for five days and the other for 12 days - have surfaced. This article examines the possible negative and positive effects of the two options.

With a five-day extension, election campaign for the next House of Councillors election will officially kick off on July 5 for the polls on July 22, as expected. Upper House lawmakers and new candidates have been making preparations since late last year on the assumption that the election will take place on July 22. They do not want to see a Diet extension even for a week.

A drastic change in the timetable would deal an especially severe blow to the New Komeito, a party largely dependent on the organizational votes of the Soka Gakkai lay Buddhist organization.

A five-day extension may not provide enough deliberation time for National Civil Service Law revision. "An extension of five days or so would end up encouraging the opposition camp to kill the bill," a Liberal Democratic Party Diet affairs officer said.

A senior Upper House LDP lawmaker thinks the election would have to be delayed.

The Lower House deliberated the bill for 40 hours. The Upper House customarily devotes 70 to 80% of the time spent in the Lower House to any bill. This means the chamber needs to discuss the civil service reform bill for 30 hours.

Putting the bill to a vote without fulfilling that condition is certain to draw fire from the opposition camp. The ruling camp would be able to avert criticism from the opposition bloc with a 12-day extension that would provide ample time for deliberations.

A delay in the election would also allow a storm of criticism over the pension fiasco to calm down. This can also explain why the ruling bloc has begun studying an extension, reversing its reluctance.

But the extension might backfire, prompting the opposition camp to lash out at the ruling coalition as an election-oriented step. There is no guarantee that public criticism will subside in just a week.

#### 7) Opposition camp fiercely opposing a Diet extension

NIKKEI (Page 2) (Abridged)  
June 15, 2007

The ruling bloc's bill amending the Political Funds Control Law to require lawmakers' fund-management organizations to attach receipts to their fund reports for every item costing 50,000 or more was approved by yesterday's Lower House plenary session with a majority vote of the Liberal Democratic Party and the New Komeito. The bill was immediately sent to the Upper House. The legislation is expected

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to be enacted in the ongoing Diet session. The ruling bloc intends to get other priority bills approved in the current Diet session, such as the bill amending the National Civil Service Law and three education reform-related bills. The opposition camp is reacting strongly to a growing argument in the ruling bloc to extend the current Diet session, which is scheduled to close on June 23. Skirmishes between the two camps are intensifying, with the opposition camp dangling a no-confidence motion against the cabinet.

Prime Minister Shinzo Abe, speaking to reporters at the Kantei last evening, simply said about a Diet extension: "For now, we must devote all our energy so that all bills can clear the Diet in the current session."

A Diet extension argument is spreading in the Upper House LDP as well. Policy chief Yoichi Masuzoe took this view on an Asahi Newstar program: "Everything depends on whether or not we can win the Upper House election. I think we should extend the session if that is the way to win the election."

Minshuto (Democratic Party of Japan) Diet affairs chief Yoshiaki Takagi criticized the extension argument, saying: "The LDP is trying to change the rule in a bid to send the game into extra innings because it is like to lose it at the bottom of the ninth inning. It is focused only on its interests." Japanese Communist Party head Kazuo Shii also expressed strong opposition to a Diet extension.

8) Upper House panel agrees to summon unsworn witnesses to question-and-answer session on June 18 over bill revising National Civil Service Law

ASAHI (Page 4) (Full)  
June 15, 2007

The Upper House Committee on the Cabinet, which is discussing a bill amending the National Civil Service Law, agreed in a meeting yesterday of its directors to hold a question-and-answer session with unsworn witnesses. The Lower House Committee on Health and Welfare in a meeting yesterday of its directors came up with a plan to deliberate on three labor-related bills, including raising the minimum wage, today. Regarding the three labor bills, the focus is on whether the committee will put them to a vote.

9) Office expenses reported by Farm Minister Akagi greatly vary from year to year, ranging from 190,000 yen in 2000 to 10.17 million yen in 2002

MAINICHI (Page 27) (Excerpts)  
June 15, 2007

Agriculture, Forestry and Fisheries Minister Norihiko Akagi's funds management organization has its office in a room in the Diet members' office building that does not levy charges for utilities or water. According to informed sources yesterday, the sums of office spending recorded in its mandatory annual political fund reports differed quite a bit from year to year, ranging from 190,000 yen to over 10 million yen. Regarding office expenses, his predecessor Toshikatsu Matsuoka had also been under heavy fire over questionable office expenses and other charges. The Matsuoka case prompted the government to take action to review the Political Funds Control Law. It has also been disclosed that Akagi had received contributions

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from a subsidized organization in violation of the said law.

The funds management group called "Yutokukai" has set up its main office in the Diet members' office building since it was established in 1995. The said law specifies office expenses as funds necessary to maintain an office, such as rent, tax payments, insurance premiums, and telephone charges. A secretary to a lawmaker said: "The amount of office expenses should not vary from year to year."

The Yutokukai declared 840,000 yen as office expenses in its political funds report when it was established. The recorded amount

stayed at the one-million-yen level, but it plunged to 190,000 yen in 2000. In 2002, the sum skyrocketed to 10.17 million yen.

The group reported no office equipment and commodity expenses from 2002 through 2004. In such a case, "the group might be regarded as being in a dormant state in effect," according to the said secretary, but Yutokukai held parties to raise funds and carried out

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other activities during that period.

10) Tanigaki criticizes Prime Minister Abe's way of steering the Diet

ASAHI (Page 4) (Full)  
June 15, 2007

Some in the governing coalition are calling for extending the Diet session. When asked by reporters yesterday about this call, former Finance Minister Sadakazu Tanigaki made this comment: "We must give due consideration to some in the Upper House who must fight the upcoming election. The government's strong attitude in (steering the Diet) would only make role-sharing (with the legislature) impossible." Tanigaki thus criticized Prime Minister Abe's posture of sticking to enacting a bill amending the National Civil Service Law during the current Diet session.

Meanwhile, former Foreign Minister Nobutaka Machimura, chair of the Machimura faction to which Abe belonged, referred to the question of whether to extend the Diet session in a speech on June 13 and stated: "It's not possible to extend the Diet session indefinitely, (given that the voter turnout would then go down when the election is carried out)." Because of this remark, Machimura was exposed too much criticism in the party.

Education Minister Ibuki, chair of the Ibuki faction, criticized Machimura: "The faction from which the prime minister was chosen must be humble. It is a matter the Diet policy chief and the secretary general will decide. Others should not make noise."

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Foreign Minister Aso, as well, chair of the Aso faction, noted: "We must focus our efforts on how we will get (bills) passed during the current Diet session. No one should make any remark that could affect that."

11) New Komeito in manifesto for Upper House election proposes managing medical, pension payments under social security account

NIHON KEIZAI (Page 2) (Excerpts)  
June 15, 2007

The New Komeito finalized its policy manifesto (election pledges) for the upcoming House of Councillors election yesterday. In response to the problem of unidentified pension accounts, the party

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pledges to pay the full amount of pension payment to each policyholder. The manifesto also proposes creating a comprehensive social security account through which medical and nursing care benefits and insurance premiums are paid, by making use of the single policy number to each person aged 20 or older enrolled in the basic pension scheme. The New Komeito specifies for the first time the policy of drawing up a plan to add new provisions on human rights and other items within three years while maintaining the basic principles of the current Constitution.

In a meeting of the House of Councillors Welfare and labor Committee yesterday, Prime Minister Abe expressed his eagerness to introduce a social security numbering system. The Democratic Party of Japan (Minshuto) also proposed in its election pledges announced on June 13 issuing a pension book that records insurance premium payments. The issue of correcting the current social security system, including the pension problem, will inevitably be a major point of contention in the election campaign.

Gap still exists between LDP, New Komeito over constitutional revision

In its manifesto, the New Komeito proposed formulating a plan to add new provisions in the Constitution. But it did not include the pledge in its major-policies report. The party has thus played up its policy stance even while giving consideration to the Liberal Democratic Party, which has made a revision of the Constitution central to the campaign. The junior ruling party has opposed to using any expression that would lead to early constitutional revision in the process of a joint manifesto in the ruling camp. The gap between the two parties remains wide.

In the New Komeito, many members are cautious about constitutional revision. Given this, the party had never referred to a call for adding new provisions to the Constitution in its manifestos or election pledges. The party had not toughed on this plan in the draft. But it suddenly decided to insert it in the manifesto.

About the reason, President Akihiro Ota just said in a press conference yesterday, "The decision is based on a conclusion reached in debate at the party's Research Commission on the Constitution on June 13." He probably aimed to dodge a question from the opposition camp about policy consistency with the LDP.

12) Prosecutors raid home of former Japan Federations of Bar Associations president over Chongryun HQ deal

YOMIURI (Page 1) (Full)  
June 15, 2007

The special investigative squad of the Tokyo District Public Prosecutor's Office raided yesterday afternoon the home in Nerima Ward and office in Chuo Ward of lawyer Koken Tsuchiya, 84, former president of the Japan Federations of Bar Associations, on suspicion of registering false original electromagnetic authentic documents regarding the ownership transfer of the building and land of the pro-Pyongyang General Association of Korean Residents in Japan, or Chongryon. Prosecutors also searched the office in Chiyoda Ward of a certified public accountant, who headed an investment advisory company, which Shigetake Ogata, former chief of the Public Security Intelligence Agency, now heads. The special investigative squad is investigating on suspicion the transaction of the land and building

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was a bid to prevent the Tokyo District Court from seizing Chongryon's head office, believing that the deal was made to obstruct compulsory seizure.

According to Tsuchiya, Chongryon approached him through an intermediate agent to sell the land and building and prosecutors seized his notebooks and faxes that show the negotiations on the deal. He, however, said: "We did nothing illegal."

According to Ogata, meanwhile, although Harvest Investment Management Co., which is not based on reality, and Chongryon signed the contract, the company has yet to finalize its payment even after the ownership transfer registration was completed in early February because it has yet to collect funds to pay for the deal.

Ogata and Tsuchiya have denied the allegations that they made a disguised transfer. They have not clarified persons who are expected to invest money, however.

If Chongryon loses a suit in which the state-backed Resolution and Collection Corp. has sought a debt repayment of 62.8 million, the Tokyo District Court may seize its land and building. The ruling will be made on June 18. The special investigative squad believes that the registration of the ownership transfer was done in order to evade the court's seizure of Chongryon's real estate even though the company has yet to secure money to buy them.

Tsuchiya served president of the Japan Federations of Bar

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Associations from 1994 to 1996. He has worked for the post-war

compensation problem, heading the group calling for resolving the  
"comfort women" issue through legal procedures.

SCHIEFFER